REFLECTIONS

ON THE

ABUNDANCE

OF

PAPER IN CIRCULATION,

AND THE

Scarcity of Specie.

By Sir PHILIP FRANCIS, K. B.

Ad tempora, quibus nec vitia nostra nec remedia pati possumus, perventum est.

SECOND EDITION.

LONDON:

PRINTED FOR J. RIDGWAY,

No. 170, OPPOSITE OLD BOND STREET, PICCADILLY.

1810.

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REFLECTIONS
ON THE
ABUNDANCE OF PAPER,
AND
SCARCITY OF COIN.

AVERAGE PRICE OF BANK-STOCK.

1760..... £110¼
1777..... £133½
1797..... £127½
1809..... £280

Dividend raised from 7 to 11 per Cent., besides sundry Bonusses, which shall be stated hereafter.

It was said by William Earl of Chatham forty years ago, or somebody has recorded it for him, "That it was a maxim he had observed through life, when he had lost his way, to stop short, least, by proceeding without knowledge and advancing from one false step to another, he should wind himself into an inextricable labyrinth, and never be able to recover the right road." He was naturally a brave man, and, by constantly

holding a high language, accustomed his mind to keep company with generous principles and great ideas. When George the Second, indignant at the Convention of Closter Seven, concluded by the Duke of Cumberland, repeatedly said to Mr. Pitt, "*I gave him no powers,*" his repeated answer was, "*Very full powers indeed, Sir.*"

Most men are ready to admit that plainness and simplicity are good moral qualities, and not at all unwilling to encourage them in others. But it is not so generally known or admitted, that these qualities, instructed by experience or enlightened by reflection, are the surest evidence of a sound understanding. A cunning rogue may cheat a wiser man of his money; but, in an abstract question to be determined by judgement, it is not possible that skill and artifice can finally prevail over plain reason, which, in the ordinary transactions of life, is called common sense. If it were possible for me to personify the British nation, and if I were at liberty to offer my humble advice to so great a person, the first thing I should recommend to him would be to adopt the maxim of Lord Chatham, to stop for a

moment, in order to take a general view of his situation with his own eyes, and to reflect on it himself. The first question I would urge to his consideration, as more immediately pressing, though not more important than many others, is, whether this kingdom, with many appearances to the contrary, be not essentially impoverished, and whether the causes of that effect be or be not in a state of progression. It is in vain to argue with any man, who professes to think that a circulation of paper, not convertible into specie, and which may be increased *ad libitum* by those who issue it, is as sure a sign of wealth as specie itself, or at least answers *all* the purposes of gold and silver, as it certainly does some of them. His principle, if he be in earnest, which I should very much doubt of any person in possession of his senses, would oblige him, in many other cases, to maintain that the shadow of a good thing is just as good as the substance; or that water, forced into the system, performs the functions of blood, with equal effect and greater facility. With the help of tapping it might do so, as long as the stamina lasted. But, in these

cases, the patient is apt to give the lie or the slip to the physician, and to die of a dropsy with the panacea in his bowels. He, who really suffers his mind to be amused with such fancies, has something to enjoy, and it would be cruel to undeceive him. But, in fact, there is no such person out of Bedlam, except perhaps on the coast of Angola, where, in former times at least, the honest Christian trader persuaded the infidel natives that cowries and glass beads would answer their purposes much better than gold or silver. In this way, they were converted out of their property, but not at all out of their infidelity.

Paper undoubtedly is more convenient and manageable than coin; it executes many services much better; and, as long as its credit is good, a reasonable circulation of it helps to promote and facilitate the operations of industry. But, with all its facilities as an agent, there is one condition essential to its value as a sign, namely, *security*. Take away that condition, and the value of a Bank-note immediately becomes imaginary. It has no intrinsic value, and it represents nothing. Such paper may pass among our-

selves by agreement, and we may coin as much of it as we please; but, so far from being a sign or effect of wealth, the increasing abundance of such paper, without specie existing and forthcoming to answer it, is a sure and indisputable evidence of immediate or approaching poverty. The first question to be considered is, what is become of the gold and silver, which, before the present war, were plentiful enough; and, if they are gone, whether, in the present course of things, there be any likelihood of their coming back again. Near two years ago, Mr. Baring gave us fair warning of our situation and its consequences. He truly said, "That this "country then stood in the singular predica-"ment of abandoning the general medium "of circulation, gold and silver, for paper, "which is of no value beyond its own li-"mits." Even then he told us, that "the "precious metals had not increased in quan-"tity in proportion to the *depreciation* of "our nominal money, to furnish us the "means of circulation." If that was the case two years ago, what must it be now, when we know that there is no bullion left, and that guineas are not to be found, unless they happen to be stopped in their way to

the continent; and when the expenditure, we have to provide for, is not much less than eighty millions a-year? Of this expence, a very great proportion cannot be paid with paper, *videlicet*, your armies and garrisons abroad; your navy on foreign stations; subsidies to foreign courts, and many other expences, such as the interest of the public debt held by foreigners at war with you, and estimated at seven hundred thousand pounds a-year; besides the bullion, from six to eight hundred thousand pounds, exported annually by the East India Company. All this amount must go in gold and silver, unless the favourable state of your trade with the continent and elsewhere gives you a foreign credit, which may help to supply you with part of the sum wanted to answer these demands.

While our houses are ransacked for taxes; while the community are crushed by the weight, and harassed by the exaction; while the opulence of a few, who share in the produce, is the only consolation left to those who pay for it; let us see and consider what sort of comfort we receive from the dealers in paper. There can be no doubt

that these worthy persons have it seriously at heart to furnish us with any relief, that may help to keep us quiet, while they turn the whole system, and every possible profit growing out of general distress, to their own special advantage. Now, these people tell us, with as much gravity as if they believed it, that Bank-notes are *not* depreciated; by which, I suppose, they would be understood to mean, in comparison with the standard coin of the kingdom, or, at least, with bullion; for money, after all, is the measure of commerce, and of the rate of every thing. If this be not their meaning, they do not speak intelligibly, or they say nothing to the purpose; and then I should leave them to argue with one another. But, taking their proposition in its plain and obvious sense, I say it is not true. As long as Bank-notes, or paper securities of any other kind, were convertible into specie on demand, the value of such paper could not be depreciated otherwise than by the bankruptcy of those who issued it. But the case is quite altered, when the Bank is exempted by law from paying their notes on demand, according to the fundamental

condition of their charter *sine quâ non*, and when the moral and lawful claims of creditor against debtor are dissolved by an act of power. Without arguing now on the merits or necessity of that measure, because it is a lost case, let us look to the consequences of it, as connected with the present question. Suppose that, on any given day, an ounce of gold might be bought with 3*l.* 18*s.* in Bank paper, it would be fair to say, that paper and gold, compared with one another, were at par. He, who had one of these commodities, might purchase the other without loss, if he wanted it. But if, in the course of any given period, this ounce of gold should be progressively rising in its paper price, as for example, because it is the fact, from 3*l.* 18*s.* to 4*l.* 10*s.* can it possibly be denied, that the value of gold, in relation to paper, has risen twelve shillings an ounce, and that the value of the paper, in the same relation, has fallen in the same proportion? There is no end of cavilling about words; but, in plain English and common sense, what is a diminution of value, but a depreciation of the thing valued?

When, by agreement or otherwise, any two things are made the measure of each other, by a par settled between them, if one of them rises above that par, and the other sinks below it, the difference must be a premium on the first, and a discount on the second. It matters not, whether this measure relates to coin and paper, or to corn and cloth. For example; suppose a yard of cloth and a bushel of wheat on a given day to be equal to each other reciprocally. If, in a lapse of time, that equality should be lost, and if a yard of cloth should be valued at two bushels of wheat, it seems to me self-evident, that the cloth would be at a premium, and the corn at a discount of fifty per cent. in relation to each other. He, who denies the truth of this proposition, will be bound to maintain that, if the price of gold were to rise to ten or twenty pounds an ounce in paper, the price of the said paper would not be diminished, which I conceive is the same thing as saying that it would not be depreciated.

Another short view of the question, or rather another form of putting it, I should

imagine, would end it. Suppose the thing, which any man wants to buy, is Bank-notes, and that he has nothing to pay for them but gold. Yesterday his ounce of gold would only have bought four pounds in paper. To-day he can get five pounds of the same paper, with the same ounce of gold. Is the paper cheaper to-day by twenty-five per cent. than it was yesterday? But, cheap or dear, is measured by price, and, if the price be so much lower, is, or is not the value so far reduced? Whether reduction of price be depreciation or not, or equivalent to it, is a verbal question very fit to be argued in 'Change Alley; but probably will not be entertained by any man, who has brains enough left to defend his pockets. Here this part of the subject may be dismissed, with one short memorandum to the reader, which he should for ever bear in mind, viz. that, considering specie and paper as equally a medium of circulation, there is this essential and eternal difference between them, that paper, at best, can be nothing but a sign among ourselves; but that, by the common consent of mankind, gold and silver have an intrinsic value, and

constitute a real pledge or deposit, as well as a sign; and though the price may accidentally vary, according to the quantity and the demand, still an intrinsic value adheres to the substance. If indeed wealth be an evil, and poverty a blessing, there is nothing so easy as to get rid of the evil, and not only to secure the present blessing, but to entail it on posterity. For this desirable purpose, no effort is necessary but to persevere in the smooth, down-hill course, which we are now pursuing. The plane is inclined, and the machine, once in motion, will go of itself. There is nothing so quiet and easy as the descent of a falling body through an unresisting medium.

They, who deny the depreciated value of paper in circulation, have a loose vulgar way of talking, fit to satisfy such careless people as the inert mass of the English consists of. It is said, with a triumph over arguments, which are not listened to, that, as long as a one pound note and a Birmingham shilling will purchase as much beef and mutton, or any other commodity in the shops, as a guinea, either of them is equal to the other.

and, consequently, paper is not depreciated, at least among ourselves; for no man, I think, has the confidence to affirm, that the proposition would be true, if applied to our mercantile intercourse, or any other money-dealing with foreigners. If it were so, that is, if we were cunning enough to persuade a foreign creditor to receive Bank-notes in payment, then undoubtedly we might soon settle the score with him, as we do with many other creditors nearer home. As to internal circulation, it is true that he, who has but a few guineas left, may be compelled to part with them, though he gets no more for his guinea than he might for a note and a shilling. But first, it is certain that all these rare, straggling guineas, are shot flying, or caught up as fast as they appear, and either hoarded, or melted into ingots, or exported in specie. But would any man, Jew or Gentile, who possessed a thousand guineas, lend or pay them for £1050 in paper, while various ways are open to him, by which he may exchange them for the same paper with a profit of fifteen or twenty per cent.; and, if he were so ill-advised or so generous, would not his thousand

guineas be seized by other Jews or Gentiles, and go directly to the crucible? A Birmingham shilling may do as well for common change, as a shilling from the mint, if such a thing existed or ever came into sight, because, in petty dealings, where the shilling changes hands every minute, a small shifting loss is not regarded—*nulla est de minimis cura*; or, because we are willing to pay a light tax for a constant convenience; but not so when great payments are in question. For then we know the difference, and that it constitutes an object worth attending to. Would any debtor make a payment of £1050 in guineas, if, by melting the same guineas, he could pay the debt, and put a hundred pounds worth of the circulating paper into his pocket? The case is just the same in purchase as in payment. If, to buy a certain quantity of corn or cloth, he parts with a thousand new guineas instead of £1050 in Bank-notes, I say he is cheated or he cheats himself; because the guineas are worth fifteen or twenty per cent. more; which difference he might realize by melting or exporting them; and, if he were resolved to forego that profit himself, somebody else

would take it instead of him. The public would gain nothing by his forbearance. But what signifies arguing such questions, when we all know that there are no heavy guineas in common circulation, and very few even of those, that have been most severely clipped or sweated? Does any landlord receive one guinea in a thousand pounds in the rents of his estate? That question was asked in the House of Commons seven years ago, and neither then nor since has ever been answered in the affirmative.

I know it is stoutly asserted, that there never was any thing so flourishing as the foreign trade of England at this time; that our imports are considerable, but that they are exceeded by our exports to the amount of many millions, which, it seems, find a rapid and profitable sale, wherever they are sent. Foreign markets are never glutted with English goods, and these goods are never sold under prime cost, to save or secure the freight, or left to perish on the beach, as I know they do at Heligoland, to an immense amount, particularly of colonial produce. A gentleman, very lately arrived

from that fortunate island, assured me that, from the beach to the stairs, he had walked up to his ancles in salted sugar and rotten coffee. Moreover, it is stated to me, on the authority of a gentleman of unquestionable veracity, who arrived from the Brazils within this month, that British manufactures of all sorts, particularly cloths, were sold there and at Buenos Ayres, when they could be sold at all, 25 per cent. under prime cost. Nevertheless, trade flourishes to such a degree, that the name of a bankrupt in the Gazette, is as rare as a nightingale in Scotland, or a guinea in circulation. Now of all general propositions concerning the real state of profit and loss by foreign trade, the truth is difficult to be proved, when they are true, and the falsehood still more so, when they are false, that is, by direct and specific evidence; because there is an underhand trade, of which no account can be taken, and even the valuation of goods entered for exportation is not measured by the quantity, but by a computed price, and therefore must be at all times problematical; as if, on much the same principle, it might be fairly concluded that he, who eats a pound

of bread, when it costs a penny, must of course eat six times as much, when the same pound costs him sixpence; or as if a baker could prove that he had sold six pounds of bread, because he had made a return of that number of pence to the exciseman. So, at least, I am advised by the learned. A great importation of naval stores or other articles of necessity from the Baltic, and of corn or luxuries from France, of itself proves nothing, but that this country is so much in debt to the enemy, and then the question is whether such import is balanced by an equal or greater exportation of our own commodities to France and Russia, or whether it be overpaid, which would create a credit in our favour, or in what other manner the account is settled. Now a true and satisfactory answer to that question, as I am told, will not be collected exactly from Custom-house statements; but, as I am quite sure, may be safely and certainly derived from another test, which never did, or can deceive us, and which, for the purpose in hand, would make all official accounts unnecessary. Whenever we see the market price of bullion reduced to the level, at which gold and

silver may be coined, we may be satisfied that there is no danger of wanting guineas and shillings for the uses of circulation, or any other, and to make that of paper perfectly safe, as well as convenient; and, if we see the course of exchange, between this and other countries, materially in our favour, we may be equally sure that the trade with those countries is favourable to us, and that there must be an influx of real wealth into Britain. National prosperity proves itself. It may be felt and enjoyed, but cannot be demonstrated. On that subject all other evidence is either fallacious or superfluous. A worthy Knight and Alderman weighs himself mechanically, or out of pure animal curiosity, to know how much he has gained or wasted in solid contents, since he dined at the Mansion-house. This well-fed magistrate, with a florid face, the appetite of a cormorant, and the digestion of an ostrich, has no occasion, as I take it, to send for the doctor to feel his pulse. In all bodies, human, or made of men, spirits and strength are the test of constitution. Genuine health makes no appeal to calculation. But suppose the symptoms in this

case to be notoriously reversed; if specie disappears, if the whole mass of gold, which proved the super-lucration of our trade, and which since His Majesty's accession has been coined into sixty millions sterling, be gone or going, and if bills on the rest of the world, or on Europe, are not to be had but at an exorbitant premium sufficient to make it the interest of the person, who wants to make a remittance, rather to send the amount in specie, than to buy the bill; cunning men may argue, and silly people may listen to them; but neither their arguments nor their documents, with which the plainest questions are sure to be overwhelmed and strangled, ought to have the weight of a feather against the facts. With a glut of paper, intrinsically worth nothing, and representing nothing, you are going headlong into real beggary, while these people tell you that it is just the contrary, and that you never looked better in your life. To comprehend the truth of these propositions, the difficulty is not in the subject, which in fact is intelligible enough to any sound, attentive understanding. But it is involved in artificial

obscurity by many laborious writers, who either do not know how to express themselves in direct terms and honest English, or have some interest to serve by endeavouring to perplex us, and therefore seldom tell us the steps or process between their premises and their conclusion. I do not mean to deny that a paradox *may* be true, though it should contradict a received opinion; but after all, in the consideration of practical questions, the safest way is to be governed by common sense, and, in particular, not to be very ready to believe that nations are sure to thrive and prosper by the same courses, which would ruin an individual, and land him in a jail. "This business of money and "coinage is by some men, and amongst them "some very ingenious persons, thought a "great mystery and very hard to be under-"stood. Not that truly in itself it is so, but "because interested people that treat of it, "wrap up the secret they make advantage of, "in a mystical, obscure, and unintelligible "way of talking; which men, from a pre-"conceived opinion of the difficulty of the "subject, taking for sense, in a matter not "easy to be penetrated, but by the men of art,

"let pass for current without examination. "Whereas, would they look into those dis-"courses, and inquire what meaning their "words have, they would find for the most "part either their positions to be false, their "deductions to be wrong, or (which often "happens) their words to have no distinct "meaning at all. Where none of these be, "there their plain, true, honest sense would "prove very easy and intelligible, if ex-"pressed in ordinary and direct language." —JOHN LOCKE.

It is said, lessen the paper in circulation, and that will soon bring back the specie, because then the specie will be wanted; as if wanting any thing were a sure method of getting it. Possibly a diminution of the paper might have that effect in some degree, if the specie were only hoarded within the kingdom, and kept out of sight. But supposing the case to be that foreigners, who refuse to be paid in paper, have got possession of our gold and silver, or of a great part of it, will they bring it back to purchase that paper because there is less of it in circulation here, and when the article is so much dearer by a reduction of the quan-

tity? No reason occurs why they should do so. Tell us yours, if you have any; and don't leave your own naked, helpless conceptions in the street, or at other men's doors, to shift for themselves, like bastards in a basket. But will foreigners bring back guineas to purchase our produce or commodities? Apparently not; for, even if the ports of the continent were open, they are our creditors already; and whatever value they receive from us, must go, in the first instance, to the discharge or diminution of that debt, which, as long as it continues, will supply them with bills on England, to be had at a very great discount, which is sure to be paid by the debtor.

Without attending to occasional fluctuations in the price of bullion, which, if they are accidental, can only be temporary, what is the true cause of the scarcity of gold and silver in this or any other commercial country, supposing such scarcity to be progressive and likely to be permanent? To this question, in the nature of things, there is but one answer, plain, rational, and everlastingly true. Every thing

else is mere paradoxical juggling, difficult to be understood, and only calculated to confound the understanding of mankind. If any country should constantly, or for a great length of time, import more, for her own consumption, than she exports of her own commodities, the difference or balance of trade against her must be finally made good in specie or bullion. But this is only a part of the present case. In addition to the balance of trade, supposing that to be against us, the balance of all other money transactions with the rest of the world must be added to the commercial deficit. A great foreign expence can only be provided for in one of two ways; either, first, by a credit abroad, equal to all those expences, which credit cannot be had otherwise than by a proportionate profit on your trade, and, if that were the case now, there would be no occasion to export specie. Gold and silver would remain here *in statu quo*, and the Bank of England would never have been under the necessity of stopping payment: or, secondly, you must pay the balance out of the existing wealth or substance of this kingdom. For these services, the foreign

bullion goes first; then go the guineas; *for* as to silver coin, there is none, other than that of Birmingham, for common change, and lately a few dollars; and even of *them* there is no great plenty, though the Bank say they have issued to the number of 4,817,634 since the year 1797, which shows that most of the old ones have taken wing, and will soon be followed by the rest. They are all alike birds of passage. A lame dollar will be as much a curiosity as a woodcock in August, for the dollars go just like the guineas; and, if so, it proves another thing, which the best dreamers never dreamt of; that raising the nominal value of your coin, won't keep it from travelling. Finally, the plate must follow the guineas, or you must stop short and stop payment; and then, I say that, in spite of Bank-notes and paper circulation, or any agreement among ourselves to receive and pay in that sort of coin, and in spite of a grand sinking-fund into the bargain, the nation must be bankrupt, beggared, and undone, and that we are every day approximating to that conclusion. These propositions, whether true or not, are intelligible,

and, if any great banker, instead of writing an intricate volume, would have the generosity to say *Yes* or *No* to the truth of them, I then should think that he dealt fairly with the subject, and that he had no design to impose upon me by cunning sophistries or endless argumentation.

In the last distress of argument, when the facts stare us in the face, and the authors of all the mischief have no subterfuge left, they still have a triumphant way of talking—"*Well, where's the remedy? and what is your advice?*" as if it rested with the patient, whom they have reduced to the point of death, to cure himself; and indeed, if we cannot cure ourselves, there must ere long be an end of us. Now, without regarding any thing said by such people, the question they put is of too much importance not to deserve consideration. On the sober principles of plain reason, there is but one way of answering it. A nation, wasted by a dysentery, is no more to be cured by a charm or a *nostrum*, than a galloping consumption by a specific overnight, or a pill taken fasting. You must totally change your system, and alter

your course. The effect of a new regimen, supposing it adhered to, is in its nature slow, and furnishes at best only a reasonable probability of success. But if the patient can neither wait for the remedy, nor endure the disease, the case is desperate, and the less he thinks of it the better. In the plague of Athens, the few, who escaped the infection, determined to enjoy life while it lasted, and, in the midst of disease, desolation, and death, spent all they had left in banquets and festivals. They had singers from Magna Græcia, and dancers from Gaul, who received an Attic talent, or 193*l.* 15*s.* every month for their trouble, which in those times was reckoned a high salary.

Some persons think that the Bank should immediately be compelled to pay their notes in specie, on demand, as in strict justice they ought to do; but, in the first place, it may fairly be suspected that it is not in their power. In all probability, the guineas, they may still have in reserve, would not answer a tenth part of their notes in circulation, and, in the present state of

things, whatever specie they issued would soon disappear. If, for example, they were to issue a million of guineas to-morrow, they would all vanish. Some would be hoarded, more would be melted, and all the rest be exported: and this must for ever be the case, as long as our expences abroad far exceed our commercial credit with other nations; and if, in addition to those expences, the balance of trade be also against us, it is fit we should be told, in plain terms, how those expences and that balance are to be made good. Then what resource is left to save us from beggary? There is but one, if we have strength and stamina left to wait the effect of it. The nation must tread back its steps, and reverse its proceedings in the same path, which has brought it to its present decline. Stop your foreign expences. Sell more than you buy; and then the wealth, that has left you, will gradually come back again. When the foreign account is against you, the gold and silver must go to balance it. When that balance is reversed, the gold and silver will return; but never till then, or by any other means. This is up-hill work I know, but this and

nothing else can stop the growing mischief, or at least retard its progress.

A war of fifteen years continuance seems to have been quite long enough for an experiment, and might invite us to try whether it might not be possible for a commercial nation to breathe or float in another element. Not that I mind what is called the mercantile interest in the city. They are the loudest advocates of war, because they all gain by it more or less, though not at all in the true character of merchants. But, granted; war is no longer a calamity; or at worst it is a necessary evil, incident to the system. It is the physic and phlebotomy, that clears the intestines and opens the veins, and saves the body politic from bursting of a plethora. Agreed. It is fit, I suppose, because it always happens, that feeble reason should give way to vigorous insanity. What sort of war do you mean *now?* What! still a continental war! after the desolation and conquest of Spain, are we really so wicked and abandoned, as still to set up a sham defence of Portugal, for no conceivable purpose, but to bar that unfortunate

country from some timely capitulation that might shelter it from the last of all human calamities, from being taken by assault, with no possible escape from conquest but emigration, nor even from utter destruction but in a hopeless appeal to the mercy of the sword? The measure in agitation supposes that Portugal, *rebus sic stantibus*, *can* be defended by British assistance. If that be the war you mean, it is worse than all the rest; because it stands on an assumption, which you know to be false. The continent is gone; you know it is irretrievably gone; while your act supposes that some part of it may still be recovered or preserved. Not that I deny that peace, obtained by these ministers, might be just as calamitous as war. In their hands, a war of folly could end in nothing but a peace of submission. I will not, even in thought, be party to so base a conclusion. If peace is not to be had with honour and security, by which, I mean an effective, though not, perhaps, a formal security against the latent growth of means and power to invade us;—if that be the only alternative, there is no option. Let the war take its course; or, as I heard Lord

Chatham declare in the House of Lords, with a monarch's voice, LET DISCORD PREVAIL FOR EVER. I do believe, that peace, secure in this sense, might be obtained; at least it ought to be attempted, not for the sake of putting Buonaparte in the wrong;—a lost hope—

"Created thing not values he, nor fears;"

but to show us positively what we have to trust to, and that we have nothing to look to but perpetual war. Yet if it were possible to be admitted to talk to him, supposing the continental question to be given up, I think he might be convinced that it is essentially his own interest to suffer the world to be quiet, if it were only for seven years. At all events you *must* put a stop to your foreign expences. The nation not only bleeds from its arteries, but a considerable portion of its substance is poured into the hands of its enemies, and employed against you. You pay £700,000 a year to fill a sponge, which Buonaparte squeezes into his own treasury, whenever he pleases. Nay, the holders of foreign stock are not even called upon to contribute to the protec-

tion of their own property in our funds; for some good reason or other, well known to *some gentlemen* in the city.

Industry and economy, protected by peace, would gradually bring back gold and silver, without which, no nation, having a perpetual and unavoidable intercourse of dealing with the rest of the world, can be rich.

If we had power to extort, or influence to obtain a direct answer from persons, who hold a flourishing language about the actual riches of Britain, and its prosperous dealings with foreign states, we might be contented to ask them this plain question: "Can *you*, or any of you, or all of you put together, name that commercial house, or place, on the continent, where you have a sufficient credit, arising from your sales of British goods, to entitle you to draw on such foreign house even for so small a sum as one hundred thousand pounds at par, with a certainty that your bills will be honoured?" If you have no such credit any where, then it is plain that the continent is not debtor to England, which it must be

if we furnished them with goods to the double or treble amount, as you say, of what we take from them.

By your own showing, if it were true, you ought to sell your bills at a discount, and be thankful to any body, who would give you money for them, almost at any rate. Has the reader already forgot the sufferings of Sir John Moore and his army, at Salamanca, in November 1808? Let him read the following extracts, and recollect what was even then the state of our credit in Spain and Portugal, and conjecture, if he can, what has happened since to give us a credit there or any where else on the continent.

10 *Nov.* 1808.—"We are now in the greatest distress for money; and, if a quantity does not speedily arrive from England, we must depend on the generosity of the Spaniards for our supplies. I doubt at present if there is wherewithal, after the 24th of this month, to pay the troops their subsistence. I fear that in England, until very lately, they were not aware of the *impossi-*

bility of procuring money either in Portugal or Spain."

Nov. 16.—"If money is to be found, such are our necessities we must get it on *any* terms!"

Speaking of the disposition of the people of Salamanca, he says, *Nov.* 19: "All this shows great good will. The funds, however, which it can raise, are small, and very inadequate to our wants. Lord Castlereagh says, that two millions of dollars are on their passage to Corunna, but that the difficulty of procuring silver is such *in England*, that I must not look for a further supply for some months."

Dec. 1.—"Such is our want of money that, if it can be got at a hundred per cent., we *must* have it; do therefore, if possible, send me some *at any rate!*"

Mr. Huskisson's evidence delivered on the 6th of March to a Committee of the House of Commons, did not appear until some time after the first edition of this pam-

phlet had been published. It is very material in itself, and comes powerfully in aid of the principal allegations and opinions, which I have endeavoured to establish on the subject in question. He is a competent witness in every sense. His information, as far as his evidence goes, cannot be disputed. His integrity is not to be suspected; and his testimony is the more valuable, because it is delivered as it ought to be, not only with great deliberation, but with all possible reserve and circumspection: and, being recorded in writing and in print, is not liable to be ill reported or misconstrued, as a fugitive speech might be, and often is, in the newspapers. The Court knows nothing of extrajudicial argument, and will not suffer its judgment to travel out of the RECORD. Cardinal de Retz says more than once, in the course of his delightful Memoirs, "*Je crains les apologies comme la mort*;"—not meaning an excuse or concession in our sense of the word, but the act of explaining, retracting, or qualifying any thing deliberately said or done. A mere mistake is innocent. A real change of opinion, on better information, is at all times free from

exception, and in general is too much a duty to be deemed meritorious. At all events, the error must be honestly corrected, and the change of opinion frankly avowed. None of these cases are in question. Having read and considered Mr. Huskisson's *evidence*, with the utmost attention, I see nothing in it that required an apology to the Bank, or an explanation to any other party. The English language has no terms more intelligible than those, in which the *evidence* is expressed. From the beginning to the end of it, every thing he says is plain, consistent, and indisputably true. Were it otherwise, that is, if the meaning of any expression, he had inadvertently used, were really ambiguous, I should be as ready as the warmest of his friends to resort to his character to illustrate his intention; because my reliance on his honour and veracity obliges me to give implicit credit to the truth of every thing he asserts; and the rather, tho' it is not wanted, because his subsequent explanation tells me, that what he said at first was not the allegation of a willing opponent, but apparently the unwilling confession of a friend. In effect, his recorded

evidence says nothing but what any indifferent person would readily believe to be true on testimony much more questionable, or on infinitely weaker authority. He says "that, in June last, the foreign exchange, "particularly that on Hamburgh, was from "eighteen to twenty per cent. against England;—that he certainly thought, and "the course of the inquiries, which were "then made, led him to believe that it "would not have been practicable to have "raised any very large credits on the continent; that a remittance to Austria, of "a certain monthly sum, would have been "an operation, extremely difficult, if not "impracticable; and that the result of his "inquiries was, not to show that it was "altogether impracticable, but that the "operation would be attended with very "great hazard and loss. Finally, that, when "the expedition sailed to the Scheldt, there "was in point of fact, and strictly speaking *no* foreign coin, applicable to military "service abroad, at the disposal of Government. The whole sum purchased, "and he believes he included *all* the dollars "that could be obtained from the Bank,

"was in dollars £60,000, and in Dutch "ducats £65,000, making all together "£125,000."

In the consideration of these assertions, I have consulted the understanding of others, and taxed my own to no purpose, to find out an ambiguity, or a loop to hang a doubt upon. As to guineas, they are never mentioned or alluded to. The word is as scarce as the thing. Much less is it any where affirmed or insinuated, that the Bank of England is not actually revelling in standard coin, which nothing but an order in Council can prevail on them to part with. The solidity of the Bank was no where in question. Then why so much labour to prove what nobody denies? Is the state of cash in a chest, a *fact* or a *problem?* Is it to be estimated as a flowing quantity, or measured like the contents of a cube? Irrelevant or superfluous evidence, though nothing to the purpose, is not always indifferent in its effect. The first impression of an effort to demonstrate a proposition not in dispute, is to excite suspicion. On the 15th of March, Mr. Huskisson is said to have made the

following declaration in the House of Commons, as I find it reported, with great apparent accuracy, in the Morning Post, that "he wished to enter into some explanation of the evidence, he had recently "given in the Committee of that House, "which evidence had been much misrepresented: that at the period, to which "his evidence referred, the Bank of England had *ample* means of furnishing His "Majesty's government with specie, and "were in a condition to *meet*, with perfect "safety, *any* termination of the restriction "upon payments in specie that might have "been directed."

The *Evidence* says, that, in the opinion he "entertained at the time the expedition "was prepared for the Scheldt, and the view "he took of our pecuniary resources as far "as relates to foreign coin, he conceives "that we did not possess means adequate "to the expence of such an expedition, even "up to the moment, when it might be supposed to have obtained a secure footing "on the continent; and consequently, "with a reference to this pecuniary diffi-

"culty, that *any such expedition* could not "be undertaken without incurring great "risk of finding itself without the means "of providing for the subsistence, and the "unavoidable extraordinary expences of the "army." The speech, as I read it, affirms that "the Bank had *ample* means of fur-"nishing Government with specie," which the said Government might have obtained, but did not obtain, though the fate of the expedition depended on its possessing that supply. Why? Because *they had proceeded on a principle of extreme moderation!* Now, putting the two propositions together, let us see what they amount to. The expedition is voluntarily exposed to a failure; nay, can hardly be landed in Holland, because the Government is too *moderate* to call for a supply of guineas from the Bank, which they had a lawful right to do, while the Bank was in possession of such an abundance of cash as even to have been able to have resumed, *with perfect safety*, the payment of their notes in specie.

In a moral sense, moderation is a good quality, though not positively a virtue, or

not of the first order. In practice, the rule is purely prudential, or very little better, because excesses in general are dangerous rather than vicious; and therefore physical prudence says, "*Govern your passions, and don't over-eat yourself.*" But, whether it be a merit or a defect, this is the first time, I believe, that any mortal ever heard of moderation in *expence*, or in any measure that led to it, being imputed to His Majesty's government, that is, to the present Administration; for it is still the same ship, with a second-hand keel, some of the old running rigging, and no rudder. Hitherto, this particular sort of moderation has been an occult quality in the system. The highest powers of Herschel's telescope, sweeping for satellites for the Georgium Sidus, were required to discover it. Now, it is a singular fact, that the moment an instance of this species of moderation is attributed to this Government, it should not only cease to be a virtue, but, in their hands, be converted into a folly and a vice; and, what is still more extraordinary than either vice or folly, that it should warrant a charge against them of downright waste and

extravagance. Is it possible to deny that he, who leaves the means incomplete, or neglects to provide the final supplement, when the service or the object cannot be accomplished without it, throws away and abandons all that he has spent on it already? Success, or any thing else, may be purchased for more than it is worth. Still you have something for your money. Your loss is the difference between the value and the price. In the present case, your whole expence is wasted, and this waste, it seems, is to be carried to the credit of His Majesty's government under the head of "*Lost by moderation.*"

Or does the speech mean to insinuate, what assuredly it does not say; *first*, that an English army on the coast of Holland could not have been subsisted with any thing but Spanish dollars and Dutch ducats; *secondly*, that he, who has guineas in plenty, can by no means exchange them for bullion *in genere*, or for dollars or ducats *in specie*? Abraham, what say you?

Quid ais, dulcissime rerum?

What says the synagogue?

Ye swains of Solyma, begin the song.

I should like to see the faith and credit of the Bank, or of any other great authority in the city of London pledged, with their reasons, to the affirmative, distinctly, plainly, and in the identical terms of those propositions; with this single condition, that the parties, so at issue with me, should sign their names and place of abode, to the affirmance in question.

In addition to all this evidence, which one would think were enough to convince an infidel, we often see in the newspapers an account of the capture of cargoes of guineas in a course of exportation, and falling into the hands of captors, who would willingly dispose of them in the same manner if they could, and exactly for the same reason, viz. because there is an exorbitant profit on the exportation of the said guineas. The laws, it is true, prohibit melting or exporting the current coin: but, with respect to offences impossible to be prevented, and so little open to detection, what signify posi-

tive laws or penalties, and especially when the object of them is not a crime in itself? If gold be a commodity, as the merchant says it is, why not sell it for the utmost price like any other property? But, in a particular form, it ceases to be a commodity, and then you must not dispose of it to the best bidder. Why not? Because it would be a positive offence; for, as to any moral difference between melting a guinea and an ingot, I do not see how it can be proved. Either of them is just as much my property as the other. But what is property without the power of using or disposing of it as I think fit? The reader, I trust, will not suspect me of providing a shelter for any practice of my own. I really did never melt a guinea in a crucible, though many of them have melted in my hands. Against clipping or sweating the current coin, there is or may be an effectual remedy. A general resolution to take light guineas only by their weight, would soon put an end to the crime in that form; for crime it is, and they who practise it are thieves. After all, this is but an empty argument, *de non apparentibus*; and one of the

surest proofs, though not a direct one, of the extraction of all the gold, is that there are no *light* guineas in common circulation. Light or heavy, they all emigrate, with this difference only, against the general laws of motion, that the heaviest march first, and leave the sick and wounded to follow. Here and there a few fugitive guineas make their escape *in transitu*; but, sooner or later, the leaders and the followers are equally taken prisoners, or desert to the enemy. Still we have it from authority, that there never was or will be such a flourishing export trade as that of England; that it cannot be checked by the power of Buonaparte, and that the natives of France, Holland, Germany, &c. sooner than not buy our manufactures, not only would risque the confiscation, but expose themselves to corporal punishment. It may be so; but to believe it with or without evidence, if any man does believe it, seems to require more than human magnanimity.

I do not mean to deny that individuals in great numbers thrive by the prodigality of Government, and fatten on the public spoil.

The fact is sufficiently known, though little felt: because a very symptomatic insensibility to this, and every other national concern, prevails more or less over the whole empire. The evil of the day is sufficient to occupy a degraded population, who, thinking of nothing but how to exist on any terms, how to pay taxes, or how to evade them, gradually sink into indifference about every thing but the enjoyment or distress of the moment. *Panem et Circenses.* As if we had converted our whole inheritance into an annuity, and had nothing but a life interest in the salvation of the country. Even that base calculation may fail under the selfish being, who trusts to it. No man, who is not superannuated already, can be sure that the thing he calls England, and by which he means nothing but the stocks, will survive even himself. Such apathy, wherever it prevails, is a sure forerunner of national baseness first, and then of ruin. The sensation of pain is the providential warning against danger, the sentry or outpost, that gives notice of the approach of an enemy. The being, who feels none, or who is suddenly relieved from

it, or who by intoxication has deadened his senses, knows nothing of his own case, and dies of a mortification below, with a languid flush in his face that looks like a return of health. To reduce a nation to this state, many moral causes contribute; but practically none more than excessive taxation. Domestic difficulties depress the mind, and prepare it to look for relief, not in any energy of its own, but in some possible change of position, in the chapter of accidents, or in submitting with indifference to any change of power. Lord Bacon says, *Nunquam fiet ut populus, tributis oppressus, fortis existat et bellicosus.* Then comes the habit, which sooner or later forms the character. A constant inclination in a perverse direction will make a nation, as well as a plant, take an unnatural bent, until, by gradually weakening the spring that might redress it, they both grow downward with their own consent.

With these objects in the mind, and all the consequences in view, it is difficult to refrain from adverting to the general state and actual conduct of public affairs. Believing,

as I do, that some internal catastrophe hangs over us, which might possibly be averted or provided for by wisdom at the helm, but which ignorance and folly can only accelerate, I call on the nation to look at their government. Is it an abuse to be endured, that any set of men, with no other title or shelter but the word *prerogative*, should dare to hold and retain the executive power of the state, with a hundred Peers protesting against them, without the confidence of the House of Commons, and themselves on their trial at the bar of that House! At the public shame of such a sight, indignation sickens into scorn. Resentment dies of contempt. *Such* authors of *such* ruin *take away all dignity from distress, and make calamity ridiculous.*

The ancient maxim of criminal justice, was, "*ut metus ad omnes, pœna ad paucos perveniret;*" that the few might be punished, and the many be deterred. In the present practice, this wholesome relation of guilt and punishment is inverted. The few escape, and the multitude suffer. The highwayman is guilty of violence and in-

justice, but not of breach of trust. When he is detected and taken, would you pardon him the robbery, because at last he offered to return the watch or the purse, or as many of the guineas as he had not made away with? The crimes of individuals, however enormous, are not necessarily mortal to great communities. The death of nations is impunity. Still we are lulled with fine promises, and flattering prospects. Hope is a dangerous narcotic, and not only sets the mind asleep, but, like opium to the Turks, furnishes the brain with many delightful visions. Thus it is that a nation may walk in its sleep, until it reaches the edge of a precipice without the power of turning back. These treacherous delusions are deadly symptoms. When nothing but a drastic resolution can save the animal, false hope supplies him with palliatives, and bars the last extremity of its last resource, by the exclusion of despair.

Not long ago an opportunity came of itself, of stating some new opinions of my own on the subject of a reform of the House of Commons, to a Member of Parliament,

of whose integrity no man can be better satisfied than I am. I took the liberty of saying to him; "Sir, do whatever you think right, for its own sake, and never look to popularity for support or reward. Honest fame will follow you, if you deserve it. The very people, whom you serve, may be turned at any moment against you, by a cry or a signal, and run you down for your pains. Your own hounds, any fine morning, had as lief hunt the huntsman as the hare. As to parliamentary reform, I have tried it enough to be convinced that it never can be adopted on any sound principle, that would at once be safe in its operation, and effective to its purpose. The people are well enough represented. The milk throws up the cream. No change in the form will mend the materials. I am sure you will find it, as I have done, a vain attempt to build Grecian temples with brickbats and rubbish." This anecdote is nothing to the present purpose, but it may answer some other; nor would I *now*, in April, have uttered any thing like despondence or indifference on the subject. The division of Saturday the 31st

of March, supersedes all argument. The case speaks for itself, and necessity makes a law for it. Extremities are not to be governed by mediation. In the language of Mr. Burke, the *treacherous expedients, called moderate measures*, are exhausted. I am as little sanguine as ever about the success of a reform in the construction of the House of Commons. But, knowing of no other remedy, I cannot answer those, who say that, when the exigency leaves you no choice, the last chance is to be taken. The opinions of wise and thoughtful men, on this great question, are changing every day. For myself, I can only say that I did not abandon my principles with my hopes; and that, whenever the nation shall be generally disposed to adopt the measure, I shall be found where I was left, and ready to take part in the execution of it. If any man thinks it worth inquiring, what those principles were, he will find them recorded in the Parliamentary Debates of the 21st of March 1806. I said then, and I adhere to it, that "I never harboured a thought "so dangerous and so absurd, as that of

" separating the power from the property of " the country."

Reverting to my subject, I trust it will be believed that I have sense enough to feel that these faint ideas, the languid produce of an impoverished mind, left to fallow without manure, hardly deserve the name of reflections. But, such as they are, they may perhaps lead others to a right course of thinking on the subject they relate to. The expiring lamp, that glimmers on a post, shows the passenger his way. He, who grows the flax or the wool, is of some little service to art and industry of a higher order, though he cannot manufacture the articles himself. Even this insipid essay will not be quite unprofitable, if it furnishes materials to greater abilities, and helps to set some superior understanding at work. At all events, I am not holding a new language to serve a present turn. On the 31st of March 1806, I attempted to make what is called a speech in the House of Commons, on the effect of an exorbitant paper circulation, as I then understood it. My opinion of course made no impression; for I was

honoured with an audience, which cared just as much about the subject as the person. A short extract from that speech will therefore have the merit of novelty with those, who read it now; for, tho' it has been long in print, I see no reason to suspect that any body has hitherto perused it but myself.

"I know that there did never exist such a scene of expence and luxury, and of unbounded dissipation of fortune, as London exhibits. If extravagance and profusion are a proof of wealth, we need not look further. The proof is equal to the proposition, and exceeds it. Reflecting men, I believe, will not trust implicitly to these appearances. In fact, they can only be accounted for by a glut of factitious riches. No man wastes a real property at this rate. No man parts with gold and silver with the same facility, with which he squanders a pretended security in rags, which he knows he cannot change into specie. The circulation of this paper, however, as long as it lasts, gives life and activity to all the means of immediate enjoyment. It is true. They,

who are satisfied with the present, are not likely to consider the consequence. Others perhaps may submit to be better taught by experience. The history of France furnishes an example in point, on a great, but still on a very inferior scale. There never was a period of such extravagant expence and riotous profusion in Paris, as in the days that preceded the fall of the royal bank, in 1719. France was deluged with paper, as we are. Suddenly the credit of the bank failed. Down went the paper, down went Paris, and down went France." Adverting to the same transaction, Sir James Stewart says, that, "an ill-concerted system of credit may bring ruin on a nation, altho' fraud be out of the question; and, if a nation be plunged into all the calamities, which a public bankruptcy can occasion, it is but a small consolation to be assured of the good intentions of those, who were the cause of it. On the 27th of February 1720, an *arrêt* was published, forbidding any person to keep by them more than 500 livres in coin (or £20 sterling). This was plainly annulling the obligation in the Bank-paper, *to pay to the bearer, on*

demand, the sum specified, in silver coin. On the 22d of May, a man might have starved with 100 millions of paper in his pocket."

In better times, while feeling was alive, and when reason was animated by passion, these incentive materials might have furnished some force of thought and energy of language. But age and infirmities have done their office, and their worst. *Plurima de nobis anni.* The reader, who believes my intention to be good, will make allowance for the natural effect and progress of decay. Any account, if it be honest, has fairly a claim to *errors excepted.* A man of my age may still be in his senses, when his senses are good for nothing. With a callous heart, there can be no genius in the imagination or wisdom in the mind; and therefore the prayer, with equal truth and sublimity, says, "Incline our *hearts* unto wisdom." *Dans les grandes affaires, l'esprit est moins que rien sans le cœur.* A brave man, with truth of his side, need not wish to be eloquent. Resolute thoughts find words for themselves, and make their

own vehicle. Impression and expression are relative ideas. He, who feels deeply, will express strongly. The language of slight sensations is naturally feeble and superficial.

APPENDIX.

I.

BANK-STOCK.

In June 1799, a bonus was given of 10 per cent. Loyalty Five per Cent.
In May 1801, ditto £5 Navy Five per Cent. stock.
Nov. 1802, ditto 2½ ditto.
Oct. 1804, ditto 5 per cent. cash.
Oct. 1805, ditto.
Oct. 1806, ditto.

And in April 1807, the dividend was raised to ten per cent.; which, with the payment of the property-tax, makes eleven per cent. regular interest. Yet all this put together, exhibits no criterion to form a conjecture of the real amount of their profits.

II.

On the 12th of January 1810, the Bank Paper issued amounted to £21,406,930.

III.

	£.
On the 12th of January 1809, Amount of notes under £ 5	4,305,920
Ditto on the 12th of Jan. 1810	5,854,170
Increase of one and two pound notes, in one year	£ 1,548,250

IV.

Return of the Importation of Wheat and Oats into London alone, from the 1st of August 1809, to 31st January 1810, from foreign Countries.

	Qrs. Wheat.	Qrs. Oats.
In August - - - -	3,010	13,100
September - - -	5,700	6,100
October - - -	19,000	12,900
November - -	48,900	22,000
December - -	26,000	5,400
	102,610	59,500
1810. In January	145,000	36,700
	247,610	96,200

	£.
Value of 247,610 Quarters Wheat, at 100*s*. . .	1,238,050
Value of 96,200 Quarters Oats, at 30*s*.	141,300
	£ 1,382,350

Which sum of £1,382,350 has been paid to the enemy of our country, chiefly in specie, besides yielding a revenue to Buonaparte as follows:

	£.
Duty payable on exportation, 247,600 Quarters Wheat, at 12*s.*	148,566
Duty payable on exportation, 96,200 Quarters Oats, at 12*s.*	57,200
	£205,766

V.

Riches and money are got, kept, or lost, in any country, by consuming less or more of foreign commodities than what by commodities or labour is paid for. This is the ordinary course of things. But, where great armies and alliances are maintained abroad, by supplies sent out of any country, there, by a shorter and more sensible course, the treasure is diminished.

The necessity of a proportion of money to trade depends on money, not as counters, but on money as a pledge.

A law cannot give to bills that intrinsic value, which the universal consent of mankind has annexed to silver and gold.—JOHN LOCKE.

VI.

House of Commons, March 15, 1810.

Mr. Huskisson, before making the motion of which he had given notice, relative to the issue of specie from the Bank of England, wished to enter into some explanation of the evidence which he had recently given in the Committee of that House upon the subject, and which evidence had been much misrepresented. It was of importance that it should be understood, that at the period to which that evidence referred, the Bank of England had ample means of furnishing His Majesty's Government with specie, had His Majesty's Government exercised the right with which they were vested for that purpose: in the exercise of which right, however, they had proceeded upon a principle of extreme moderation. Had the question of cash payments at the Bank of England been considered merely as a banking question, unconnected with the political state of Europe, he had no difficulty in saying the Bank of England was in a condition to meet with perfect safety any termination of the restriction upon payments in specie that might have been directed. That was the state of the Bank at the period to which he had alluded; and since that period His Majesty's Government had not, by any

act of theirs, withdrawn from the Bank the means they had then in their possession. He had the greater satisfaction in calling the attention of the House to this statement, because, whether the subject was considered with reference either to the ability of the Bank to make their payments in specie on the one hand, or to the moderation of His Majesty's Government, in their demands upon the Bank, on the other, it was very desirable that no mistake should take place, but that the providence of the Bank of England to provide the necessary means in the one case, and the forbearance of His Majesty's Government to trench upon those means in the other, should be clearly understood, and duly estimated. A great deal had been said about the silver currency. Now it was well known that silver did not form any part of the standing currency of the realm. Indeed it was declared by law, that no payment for a sum exceeding £25 could be made in silver, unless it was tendered by weight at the standard price. His Majesty's Government had purchased silver therefore only as they would other merchandise, and he had no doubt but more might have been procured. To prove his assertions with respect to the satisfactory state of the Bank of England in these respects, he would move, "That there be laid before the House an "account of all issues of the coin of this realm

"from the Bank of England since the first of "May 1793, under any Orders in Council "made for that purpose, specifying the date "of each order, and the amount thereon." It could scarcely be necessary for him to add, that without an order in Council, no such issue could be made.—The motion was agreed to.

VII.

David Ricardo says, p. 34, "The Bank re- "gulate the amount of the circulation of all the "country banks, and it is probable, that if the "Bank increase *their* issues three millions, "they enable the country banks to add more "than twelve millions to the general circulation "of England." I do not doubt that he has some good reason for what he has said, though to *me* it does not occur. At first sight, the very contrary might be expected to happen. For supposing any given quantity of paper (and no more) to be necessary for the uses of circulation, and that any issue beyond that quantity would be superfluous, then the consequence seems to be, that, in proportion as the Bank issued more of *their* paper, the country banks must issue less, because so much less, on the whole, would be wanted; or *vice versâ*. I should be much obliged to David Ricardo, as I am already on other ac-

counts, if he would explain this matter by its process, in a plain popular way, without resorting to metaphysics; and also on what evidence he states it, as a matter of fact, or why he believes it to be *probable*, that any increase in the issue of Bank paper *enables the country banks to add more than four times that amount of their own*. All this, he would be able to explain, if it be true, by a short paragraph in the MORNING CHRONICLE. Supposing the last proposition to be granted, the consequence seems to be, that the Bank having, as we know, issued twenty-one millions and a half in January last, the country banks, by the very means of that issue, have or might have issued eighty-four millions. Then comes an account, and a total, which, if it were ever looked at, would be enough to startle the most resolute admirer of credit without coin. On the fifth of January last, the national debt amounted to upwards of seven hundred and eighty-four millions and a half. The unfunded debt, at the same time, amounted to 49,634,948 pounds sterling in Navy debt and Exchequer bills. Of these last, eight millions have been funded, which increases the funded debt in a higher proportion. The various notes, circulated by all manner of bankers, cannot, on the principle of David's calculation, reckon for less than one hundred and five millions sterling; and

the bonds issued by the India Company on the first of March 1809, amounted, by their own account, to £4,869,992!

The public debt of Ireland, amounting to more than eighty-two millions, and the notes, issued by the Irish Bank, which a year ago amounted to upwards of three millions, must be taken into the same account.

VIII.

	£.
1. National funded debt of Great Britain . .	784,552,142
2. Unfunded ditto	49,634,948
3. Notes issued by the Bank of England . . .	21,406,930
4. Notes of private bankers . .	24,000,000
5. India bonds in circulation . .	4,869,992
IRELAND.	
6. Funded debt in Jan. 1810 . .	81,510,856
7. Unfunded ditto, exclusive of the capital of sundry annuities, for lives and for terms, which I cannot ascertain	684,809
Carried over £	1,026,659,6

	£.
Brought over	1,026,659,677
8. Notes issued by the Irish Bank on the 1st Feb. 1809	3,072,516
9. Notes issued by private bankers, computed on the principle of Ricardo's calculation	12,000,000
Total £	1,041,732,193

In this account the only disputable article is, the amount of notes, issued by private bankers, taken on a general computation, which it is impossible to ascertain.

This stupendous edifice of credit is at once an object of terror and astonishment. At a distance sufficient for safety, the most formidable phenomenon may be viewed with admiration or indifference; but not so, when the danger approximates, or the sense of it is real. A deep and uniform impression on a constant mind, or even on a timid imagination, cannot be wholly against reason. This pile of paper is too near us to be seen thro' a false medium, or to be contemplated without fear. I am not gifted with faculties to compare it to any thing but a won-

derful house of cards, of which the materials are light enough to be blown away or to fall to pieces at any moment, but heavy enough to crush this kingdom in their fall.